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ABSTRACT

The literature on trustees of private, non-profit institutions and their fund-raising role almost always advises the institution that is having trouble raising money to look to its board of trustees. Oddly enough, there has been very little research or writing on the fund-raising role of public institution trustees, despite the fact that about 70% of public four-year institutions and many two-year institutions have established foundations to raise private monies. Though public sector trustees are not usually appointed for their potential as contributors and fund-raisers, elected trustees can assist the fund-raising function in the following ways: (1) trustees must provide moral and institutional support for the foundation and its initiatives; (2) trustees must clearly state the mission of the college, define its support needs, and provide the priorities, programs, and purposes that will put the donors' money to work; (3) trustees must grant sufficient independence and authority to the foundation board so that the most capable individuals will be interested in serving; (4) trustees must account to the foundation board for the institution's use of private gifts; (5) trustees must relay clear messages on college projects to the foundation board; (6) trustees and administrators must charge the foundation with an important role in community/corporate relations and legislative action; and (7) elected trustees may serve as members of the foundation as individuals. (EJV)

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Presentation at Annual Meeting of the North Central Association
Community Colleges: It's Time for Realism: Raising Money

Hyatt Regency - Chicago
March 24, 1986

Carol H. Sader, Chairman, Board of Trustees
Johnson County Community College, Kansas

# The Role of Elected Trustees of Public Institutions in Successful Development Programs

Everyone in this room has probably heard the phrase "Give, get, or get off" as the basis of membership on a Board of Trustees. And this was in fact the criteria stated by the Chairman of the Board of a prominent Washington D.C. non-profit institution when he made it clear to his colleagues that they were to make an annual contribution of $20,000, raise that amount from others, or not plan to remain on the board another year.

In article after article on trustees and their fund-raising role, the reader is told that if an institution is having trouble raising money, don't just look at the development office; check out the board of trustees.

Admonitions and advice of this sort have long been directed to the trustees of private, non-profit institutions and all are generally followed by long lists of oversimplified, fundamental principles of fund-raising for trustees to follow, labelled, "How to Ask for Money," etc. Oddly enough, there has been very little research or writing differentiating the fund-raising role of public institution trustees from that of private institution trustees despite the fact that since 1960, about 70% of all four-year public institutions and many two-year public institutions have established Foundations to raise private monies. Even less attention, if that is possible, has been given to the narrower subject of our inquiry today: the

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role of elected trustees of public institutions in the college's development programs.

While we would all probably agree that adequate funding is one of the few incontrovertible responsibilities of both public and private trustees, we must recognize some basic differences in impact on an institution's development program if its board of trustees is an elected public board as opposed to a selected private board.

First, public sector trustees are appointed or elected for a variety of reasons other than their personal wealth or fund-raising capability, whereas private institution trustees are generally selected at least in part for their potential as contributors and fund-raisers. Consequently, there is no assurance that an elected trustee will be interested in or have a talent for fund-raising. In fact, a study done in 1982 indicated that almost 25% of the members of public boards did not engaged in any activity related to fund-raising on a regular basis. The implication of this is that it is especially important for public institutions interested in attracting private gifts to create independent Foundations governed by a board of prominent citizens selected because of their experience in fund-raising, personal wealth, business affiliations or social contacts.

Secondly, elected trustees of public institutions act in a fiduciary capacity to local taxpayers as the trustees of public funds. At the same time, the Institution's Foundation Board acts in a fiduciary capacity to the private donors of money and gifts to the Foundation. The institution itself, as represented by its Board of Trustees, is necessarily accountable to the Foundation's Board for the institution's use of the private gifts made available to it through the Foundation. The implication of this is

that it is again especially important for public institutions interested in attracting private gifts to create independent Foundations governed by an independent Foundation Board, thereby preventing any conflict of interest from arising on the part of a public trustee of the institution's governing board.

Given the fact then that it is unrealistic and probably undesireable to expect elected public trustees to assume a major fund-raising function, what is their proper role in a successful development program? Elected trustees can and must assist the Foundation in the following ways:

- Trustees must provide moral and institutional support for the Foundation and its initiatives. For example, at Johnson County Community College, the Board of Trustees agreed at a board retreat a couple of years ago to place a high priority on the growth and development of the College Foundation as the primary vehicle for the accomplishment of the development goals of the College. This decision was clearly communicated to the College President. The Board encouraged the administration to hire a new Foundation Director. Board members participated in long-range planning for the Foundation and encouraged its reorganization and revitalization by the recruitment of fifty new directors. Trustees try to attend special fund-raising events and all Foundation functions to which they are invited. The high priority which the trustees of our college place on providing moral and institutional support for the Foundation has been underscored this year and last year by the inclusion of the goal of strengthening and broadening the function

of the College Foundation as one of the College President's stretch objectives (our version of a presidential merit pay plan).

- Trustees must clearly state the mission of the college, define its private support needs, and provide the priorities, programs, and purposes that will put the donors' money to work. Trustees and administrators must participate in dialogues and research with Foundation members on project development. Foundation Board members should be provided with a detailed understanding of the college's purposes and needs and should be encouraged to share their expertise. There is a high correlation between involvement in problem solving and the ability to give and solicit funds toward solutions. It has been said that "there is hardly a campus anywhere that does not have at least one college building or campus area made possible by a member of the buildings and grounds committee."
- Trustees must grant sufficient independence and authority to the Foundation Board so that the most capable individuals will be interested in serving. The key seems to be in maintaining a balance between independence from and involvement with the college. There seems to be general agreement that essentially "flow-through Foundations," which are separate corporations functioning almost entirely within the institution's structure with interlocking directorates, are ineffective in fund-raising though useful in money management. "Flow-through Foundations" fail to take advantage of the reason for creating a Foundation: to be free from cumbersome procedures imposed on institutions in raising and

managing private donations. Foundations that are highly independent with self-perpetuating boards made up of individuals outside of the college and an independent staff and interdependent foundations that are independent but have considerable involvement with the college seem to be the most successful in fund-raising and in the support of the institution. In short, to attract the highest calibre of volunteers, the work of the Foundation Board must be truly meaningful and productive with close ties established between the Foundation and every segment of the college community.

- Trustees must account to the Foundation Board for the institution's use of private gifts.
- Trustees must relay clear messages on college projects to the Foundation Board. If the trustees would find the Foundation's involvement helpful, they should say so clearly. On the other hand, if it would be advisable for the Foundation to be uninvolved, this, too, should be clearly told to the Foundation Board. To quote our distinguished moderator, "When volunteer boards get fuzzy messages, they malfunction." Communication is the key to an optimal working relationship. One method of facilitating communication which we use at Johnson County Community College, is to have a member of the Board of Trustees act as a liaison by serving as a member of the Executive Board of the Foundation.
- Trustees and administrators must charge the Foundation with an important role in community/corporate relations and legislative action. These are important arenas for action by Foundation members who are among our most prominent and influential citizens.

Conversely, the important tasks to be performed in these areas tend to excite the interest of the most capable volunteers while complementing their fund-raising activities.

- Lastly, elected trustees of public institutions may be members of the Foundation as individuals. And to end where I started, they should be encouraged to "give" and to "get" as they see fit. To go full circle even further, in view of the magnitude of the above-mentioned commitments required of elected trustees to ensure a successful development program, I must end by agreeing (though for entirely different reasons) with the statement that I made when I began: "If an institution is having trouble raising money, don't just look at the development office; check out the Board of Trustees."



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